

National Training for Counselors and Mentors



Funding Education
Beyond High School

Academic Year
2017–2018



Middle School Parents



Workshop Topics

- Definition of financial aid
- College costs
- Expected family contribution, or EFC
- Definition of financial need
- Types of financial aid
- Sources of financial aid



Workshop Topics

- Applying for financial aid
- Federal financial aid programs
- *FAFSA4caster*
- Financial aid options
- Resources
- Next steps



Definition of Financial Aid

- Any money from outside of the family that pays postsecondary (college) expenses



College Costs

- College can be expensive, but worth the cost
 - A sound investment in your child's future
- Costs include more than just tuition
 - room and board, books, transportation, personal expenses, etc.



College Costs

- Costs vary by type of college
 - Community colleges are generally less expensive than four-year schools
 - Private colleges can be more expensive than public colleges
- Look at costs over a child's entire postsecondary education
 - Four to six years total



Expected Family Contribution (EFC)

- Amount family can reasonably be expected to contribute, but not what family will pay to the college
- EFC remains the same regardless of what college the student attends



Expected Family Contribution (EFC)

- Calculated using a federal form and formula
- Two components
 - Parent contribution
 - Student contribution



Definition of Financial Need

- Difference between college COST OF ATTENDANCE and EFC
- Will vary by college
- Amount of financial need determines the aid a student will receive



Types of Financial Aid

- Scholarships
- Grants
- Loans
- Work-Study



Types of Financial Aid - Scholarships

- Awarded on the basis of merit or unique characteristic, or application
 - Institutional Scholarships
 - Non-institutional scholarships
- Does not have to be paid back



Types of Financial Aid - Grants

- Awarded on the basis of financial need
- Need-based aid
- Does not have to be paid back



Types of Financial Aid - Loans

- Self-help aid versus gift aid (grants & scholarships)
- Must be paid back, usually after the student finishes school
- Several different types
- Student loans are a reasonable form of aid
 - Borrow only amount needed
 - Consider federal loans before private loans
 - Loans are an investment



Types of Financial Aid – Work-Study

- Self-help/need based aid/money earned while attending school to cover college expenses
- Ideally related to student's field of study on or off campus
- Financial aid office has a “Work-Study Coordinator”
- Students need to follow up with the financial aid office about work-study positions as early as possible



Sources of Financial Aid

- Federal government
- States
- Colleges
- Private sources



Sources of Financial Aid – Federal Government

- Largest source of financial aid
- Awarded mainly on the basis of financial need
- Apply every year using standard form



Sources of Financial Aid - States

- Offer both merit-based and need-based aid
- Usually have residency requirements
- May have service requirements
- May have loan repayment programs



Sources of Financial Aid – Colleges

- Varies widely from college to college
- Offer both merit-based and need-based aid
- May be offered as part of the admissions process



Sources of Financial Aid – Private Sources

- Churches, civic organizations, employers
- Varying award amounts and application procedures
- Small awards add up



Application for Financial Aid

- Complete the FAFSA every year
- *Free Application for Federal Student Aid*, or FAFSA
 - Collects demographic and financial information
 - Data used to calculate the EFC



Application for Financial Aid

- Information from the FAFSA may also be used by states, colleges, and private sources to award aid
- Ask colleges if any other forms are required



Federal Financial Aid Programs – Federal Grant Programs

- Federal Pell Grant
- Teacher Education Assistance for College and Higher Education (TEACH) Grant
- Federal Supplemental Educational Opportunity Grant, or FSEOG
- Iraq and Afghanistan Service Grant



Federal Financial Aid Programs – Federal Loan Programs

- Federal Perkins Loan
 - Campus-Based Aid
- Federal Direct Stafford Student Loans
 - Subsidized and unsubsidized
 - Borrowed by students
- PLUS Loans
 - Borrowed by parents and graduate students



Federal Financial Aid Programs – Federal Work-Study Program

Federal Work-Study

- Provides part-time jobs for students with financial need, allowing them to earn money to help pay education expenses
- Another option of need-based aid awarded to students



FAFSA4Caster

- Online tool developed by U.S. Department of Education to help families prepare financially for college
- Estimates eligibility for federal student aid
- Allows you to include non-federal aid
- Available on the FAFSA.gov homepage under the “Thinking About College?” section:
<https://fafsa.ed.gov/FAFSA/app/f4cForm>



Financial Aid

- Start early searching for funding for college
- Find scholarships that match your child's academic interests, hobbies, and unique characteristics
- Don't pay for scholarship searches
- Be wary of promised results
- Report fraud



Next Steps

- Begin researching financial aid options
- Start saving
- Encourage your child to take college prep classes
- Encourage your child to participate in extracurricular activities
- Help your child develop strong study skills
- Encourage your child to develop leadership skills
- Help your child start exploring careers



Resources

- *My Future, My Way: How to Go, How to Pay* available at StudentAid.gov/Resources
- *College Preparation Checklist*, available at StudentAid.gov/Resources
- *Saving Early = Saving Smart* available at StudentAid.gov/Resources
- Online version of NASFAA's *Cash for College* available at www.nasfaa.org/AnnualPubs/cashforcollege.pdf
- Mapping Your Future at www.mappingyourfuture.org/MiddleHighSchool



Questions/Discussion



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